

106TH CONGRESS  
1ST SESSION

# H. R. 2420

To deregulate the Internet and high speed data services, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1999

Mr. TAUZIN (for himself, Mr. DINGELL, Mr. OXLEY, Mr. BONIOR, Mr. LEWIS of Georgia, Mr. DEAL of Georgia, Mr. GRAHAM, Mr. BOUCHER, Mr. RUSH, Mr. SHIMKUS, Mr. NORWOOD, Mr. SESSIONS, Mr. FOSSELLA, Mr. DICKS, Mr. BARCIA, Mr. HILL of Montana, Mr. BLUNT, Mr. HAYES, Mr. WYNN, Mr. BARTON of Texas, Mr. ETHERIDGE, Mr. TERRY, Mr. GREENWOOD, Mr. GANSKE, Mr. BURR of North Carolina, Mr. GILLMOR, Mr. BRYANT, Mr. SHADEGG, Mr. BONILLA, Mr. REYNOLDS, Mr. SWEENEY, and Mrs. MYRICK) introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To deregulate the Internet and high speed data services,  
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Internet Freedom and  
5 Broadband Deployment Act of 1999”.

### 6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

1           (1) Internet access services are inherently inter-  
2           state and international in nature, and should there-  
3           fore not be subject to regulation by the States.

4           (2) The imposition of regulations by the Fed-  
5           eral Communications Commission and the States  
6           has impeded the rapid delivery of high speed Inter-  
7           net access services to the public, thereby reducing  
8           consumer choice and welfare.

9           (3) The Telecommunications Act of 1996 rep-  
10          resented a careful balance between the need to open  
11          up local telecommunications markets to competition  
12          and the need to increase competition in the provision  
13          of interLATA voice telecommunications services.

14          (4) In enacting the prohibition on Bell oper-  
15          ating company provision of interLATA services,  
16          Congress recognized that certain telecommunications  
17          services have characteristics that render them in-  
18          compatible with the prohibition on Bell operating  
19          company provision of interLATA services, and ex-  
20          empted such services from the interLATA prohibi-  
21          tion.

22          (5) High speed data services and Internet ac-  
23          cess services constitute unique markets that are like-  
24          wise incompatible with the prohibition on Bell oper-  
25          ating company provision of interLATA services.

1           (6) Since the enactment of the Telecommuni-  
2           cations Act of 1996, the Federal Communications  
3           Commission has construed the prohibition on Bell  
4           operating company provision of interLATA services  
5           in a manner that has impeded the development of  
6           advanced telecommunications services, thereby lim-  
7           iting consumer choice and welfare.

8           (7) Internet users should have choice among  
9           competing Internet service providers.

10          (8) Internet service providers should have the  
11          right to interconnect with high speed data networks  
12          in order to provide service to Internet users.

13          (b) PURPOSES.—It is therefore the purpose of this  
14          Act to provide market incentives for the rapid delivery of  
15          advanced telecommunications services—

16                (1) by deregulating high speed data services  
17                and Internet access services;

18                (2) by clarifying that the prohibition on Bell op-  
19                erating company provision of interLATA services  
20                does not extend to the provision of high speed data  
21                services and Internet access services;

22                (3) by ensuring that consumers can choose  
23                among competing Internet service providers; and

24                (4) by ensuring that Internet service providers  
25                can interconnect with competitive high speed data

1 networks in order to provide Internet access service  
2 to the public.

3 **SEC. 3. DEFINITIONS**

4 (a) AMENDMENTS.—Section 3 of the Communica-  
5 tions Act of 1934 (47 U.S.C. 153) is amended—

6 (1) by redesignating paragraph (20) as para-  
7 graph (21);

8 (2) by redesignating paragraphs (21) through  
9 (52) as paragraphs (24) through (54), respectively;

10 (3) by inserting after paragraph (19) the fol-  
11 lowing new paragraph:

12 “(20) HIGH SPEED DATA SERVICE.—The term  
13 ‘high speed data service’ means any service that con-  
14 sists of or includes the offering of a capability to  
15 transmit, using a packet-switched or successor tech-  
16 nology, information at a rate that is generally not  
17 less than 384 kilobits per second in at least one di-  
18 rection.”;

19 (4) by inserting after paragraph (22) the fol-  
20 lowing new paragraphs:

21 “(23) INTERNET.—The term “Internet” means  
22 collectively the myriad of computer and tele-  
23 communications facilities, including equipment and  
24 operating software, which comprise the inter-  
25 connected world-wide network of networks that em-

1       ploy the Transmission Control Protocol/Internet  
2       Protocol, or any predecessor or successor protocols  
3       to such protocol, to communicate information of all  
4       kinds by wire or radio.

5               “(24) INTERNET ACCESS SERVICE.—The term  
6       ‘Internet access service’ means (A) a service that  
7       combines computer processing, information storage,  
8       protocol conversion, and routing with transmission  
9       to enable users to access Internet content and serv-  
10      ices, and (B) the transmission of such service, but  
11      does not include the portion of such transmission  
12      from the user to the provider of such service.”.

13      (b) CONFORMING AMENDMENTS.—

14              (1) Section 230(f) of the Communications Act  
15      of 1934 (47 U.S.C. 230(f)) is amended—

16                  (A) by striking paragraph (1); and

17                  (B) by redesignating paragraphs (2)  
18      through (4) as paragraphs (1) through (3), re-  
19      spectively.

20              (2) Section 223(h)(2) of such Act (47 U.S.C.  
21      223(h)(2)) is amended by striking “230(f)(2)” and  
22      inserting “230(f)(1)”.

1 **SEC. 4. LIMITATION ON AUTHORITY TO REGULATE HIGH**  
2 **SPEED DATA SERVICES.**

3 (a) IN GENERAL.—Part I of title II of the Commu-  
4 nications Act of 1934 (47 U.S.C. 201 et seq.) is amended  
5 by adding at the end the following new section:

6 **“SEC. 232. PROVISION OF HIGH SPEED DATA SERVICES.**

7 “(a) FREEDOM FROM REGULATION.—Except to the  
8 extent that high speed data service and Internet access  
9 service are expressly referred to in this Act, neither the  
10 Commission, nor any State, shall have authority to regu-  
11 late the rates, charges, terms, or conditions for, or entry  
12 into the provision of, any high speed data service or Inter-  
13 net access service, or to regulate the facilities used in the  
14 provision of either such service.

15 “(b) SAVINGS PROVISION.—Nothing in this section  
16 shall be construed to limit or affect the authority of any  
17 State to regulate voice telephone exchange services, nor  
18 affect the rights of cable franchise authorities to establish  
19 requirements that are otherwise consistent with this Act.

20 “(c) CONTINUED ENFORCEMENT OF ESP EXEMP-  
21 TION, UNIVERSAL SERVICE RULES PERMITTED.—Noth-  
22 ing in this section shall affect the ability of the Commis-  
23 sion to retain or modify—

24 “(1) the exemption from interstate access  
25 charges for enhanced service providers under Part  
26 69 of the Commission’s Rules; or

1 “(2) rules issued pursuant to section 254.”.

2 (b) CONFORMING AMENDMENT.—Section 251 of the  
3 Communications Act of 1934 (47 U.S.C. 251) is amended  
4 by adding at the end thereof the following new subsection:

5 “(j) EXEMPTION.—

6 “(1) IN GENERAL.—Notwithstanding the provi-  
7 sions of subsections (c) and (d), the Commission  
8 shall not require an incumbent local exchange car-  
9 rier to—

10 “(A) provide unbundled access to any net-  
11 work elements used in the provision of any high  
12 speed data service, other than those network  
13 elements described in section 51.319 of the  
14 Commission’s regulations (47 C.F.R. 51.319),  
15 as in effect on January 1, 1999; or

16 “(B) offer for resale at wholesale rates any  
17 high speed data service.

18 “(2) AUTHORITY TO REDUCE ELEMENTS SUB-  
19 JECT TO REQUIREMENT.—Paragraph (1)(A) shall  
20 not prohibit the Commission from modifying the reg-  
21 ulation referred to in that paragraph to reduce the  
22 number of network elements subject to the  
23 unbundling requirement, or to forbear from enforce-  
24 ing any portion of that regulation in accordance with  
25 the Commission’s authority under section 706 of the

1       Telecommunications Act of 1996, notwithstanding  
 2       any limitation on that authority in section 10 of this  
 3       Act.”.

4   **SEC. 5. INTERNET CONSUMERS FREEDOM OF CHOICE.**

5       Part I of title II of the Communications Act of 1934,  
 6   as amended by section 4, is amended by adding at the  
 7   end the following new section:

8   **“SEC. 233. INTERNET CONSUMERS FREEDOM OF CHOICE.**

9       “(a) PURPOSE.—It is the purpose of this section to  
 10   ensure that Internet users have freedom of choice of Inter-  
 11   net service provider.

12       “(b) OBLIGATIONS OF INCUMBENT LOCAL EX-  
 13   CHANGE CARRIERS.— Each incumbent local exchange  
 14   carrier has the duty to provide—

15               “(1) Internet users with the ability to subscribe  
 16       to and have access to any Internet service provider  
 17       that interconnects with such carrier’s high speed  
 18       data service;

19               “(2) any Internet service provider with the  
 20       right to acquire the facilities and services necessary  
 21       to interconnect with such carrier’s high speed data  
 22       service for the provision of Internet access service;  
 23       and

24               “(3) any Internet service provider with the abil-  
 25       ity to collocate equipment in accordance with the



1 provisions of section 251, to the extent necessary to  
 2 achieve the objectives of paragraphs (1) and (2) of  
 3 this subsection.

4 “(c) DEFINITIONS.—As used in this section—

5 “(1) INTERNET SERVICE PROVIDER.—The term  
 6 ‘Internet service provider’ means any provider of  
 7 Internet access service.

8 “(2) INCUMBENT LOCAL EXCHANGE CAR-  
 9 RIER.—The term ‘incumbent local exchange carrier’  
 10 has the same meaning as provided in section  
 11 251(h).”.

12 **SEC. 6. INCIDENTAL INTERLATA PROVISION OF HIGH**  
 13 **SPEED DATA AND INTERNET ACCESS SERV-**  
 14 **ICES.**

15 (a) INCIDENTAL INTERLATA SERVICE  
 16 PERMITTED.—Section 271(g) of the Communications Act  
 17 of 1934 (47 U.S.C. 271(g)) is amended—

18 (1) by striking “or” at the end of paragraph  
 19 (5);

20 (2) by striking the period at the end of para-  
 21 graph (6) and inserting “; or”; and

22 (3) by adding at the end thereof the following  
 23 new paragraph:

24 “(7) of high speed data service or Internet ac-  
 25 cess service.”.

1 (b) PROHIBITION ON MARKETING VOICE SERV-  
 2 ICES.—Section 271 of such Act is amended by adding at  
 3 the end thereof the following new subsection:

4 “(k) PROHIBITION ON MARKETING VOICE TELE-  
 5 PHONE SERVICES.—Until the date on which a Bell oper-  
 6 ating company is authorized to offer interLATA services  
 7 originating in an in-region State in accordance with the  
 8 provisions of this section, such Bell operating company of-  
 9 fering any high speed data service or Internet access serv-  
 10 ice pursuant to the provisions of paragraph (7) of sub-  
 11 section (g) may not, in such in-region State market, bill,  
 12 or collect for interLATA voice telecommunications service  
 13 obtained by means of the high speed data service or Inter-  
 14 net access service provided by such company.”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) Section 272(a)(2)(B)(i) of such Act is  
 17 amended to read as follows:

18 “(i) incidental interLATA services de-  
 19 scribed in paragraphs (1), (2), (3), (5),  
 20 (6), and (7) of section 271(g).”.

21 (2) Section 272(a)(2)(C) of such Act is re-  
 22 pealed.

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